

## **EXHIBIT “C”**

**Gennady**

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**From:** Adam Friedenberg [afriedenberg@glynnfinley.com]  
**Sent:** Monday, January 28, 2008 5:29 PM  
**To:** glebedev@bleaufox.com  
**Subject:** Conoco/Houtan

Gennady, here are our initial disclosures, document production and expert disclosure.

Adam

**EXHIBIT “D”**

1 GLYNN & FINLEY, LLP  
 CLEMENT L. GLYNN, Bar No. 57117  
 2 ADAM FRIEDENBERG, Bar No. 205778  
 One Walnut Creek Center  
 3 100 Pringle Avenue, Suite 500  
 Walnut Creek, CA 94596  
 4 Telephone: (925) 210-2800  
 Facsimile: (925) 945-1975  
 5 Email: [cglynn@glynnfinley.com](mailto:cglynn@glynnfinley.com)  
[afriedenberg@glynnfinley.com](mailto:afriedenberg@glynnfinley.com)  
 6  
 7 Attorneys for Defendant and Counter-Plaintiff  
 ConocoPhillips Company

8  
 9 UNITED STATES DISTRICT COURT  
 10 NORTHERN DISTRICT OF CALIFORNIA

11 HOUTAN PETROLEUM, INC.	)	Case No. 3:07-cv-5627
12 Plaintiff,		<b><u>DEFENDANT AND COUNTER- PLAINTIFF CONOCOPHILLIPS COMPANY'S INITIAL DISCLOSURES</u></b>
13 vs.		
14 CONOCOPHILLIPS COMPANY, a Texas corporation and DOES 1 through 10, 15 Inclusive		
16 Defendants.	)	<b>Trial Date: February 11, 2008</b> <b>Time: 10:00 a.m.</b> <b>Courtroom: 1</b> <b>Before: Hon. Samuel Conti</b>

17  
 18 These initial disclosures are made based on information currently known to  
 19 ConocoPhillips Company ("ConocoPhillips"). Discovery and investigation are ongoing, and  
 20 ConocoPhillips reserves the right to use at trial such further and additional witnesses, documents  
 21 and damages information as may become known in the course of ConocoPhillips' investigation  
 22 and discovery. Subject to the foregoing, ConocoPhillips makes the following initial disclosures  
 23 pursuant to Federal Rule of Civil Procedure 26 and the agreement of the parties.

24 **I. WITNESSES**

25 Defendant and Counter-Plaintiff ConocoPhillips Company may use the following  
 26 witnesses to support its claims and defenses:

27 1. Dan Pellegrino. Mr. Pellegrino is an employee of ConocoPhillips and may be  
 28 contacted through ConocoPhillips' counsel of record. He may have information regarding

1 ConocoPhillips' discussions with Plaintiff, the parties' franchise relationship, the franchise  
2 agreement that is at issue in this matter, and issues related to ConocoPhillips' counterclaims.

3 2. Greg Vasquez. Mr. Vasquez is an employee of ConocoPhillips and may be  
4 contacted through ConocoPhillips' counsel of record. He may have information regarding the  
5 parties' franchise relationship, the franchise agreement that is at issue in this matter and the  
6 termination of said agreement.

7 3. David Nash. Mr. Nash is an employee of ConocoPhillips and may be contacted  
8 through ConocoPhillips' counsel of record. He may have information regarding the parties'  
9 franchise relationship, the franchise agreement that is at issue in this matter and the termination  
10 of said agreement.

11 4. Jay Rollins. Mr. Rollins is an employee of ConocoPhillips and may be contacted  
12 through ConocoPhillips' counsel of record. He may have information regarding ConocoPhillips'  
13 discussions with Plaintiff, the franchise agreement that is at issue in this matter, and issues  
14 related to ConocoPhillips' counterclaims.

15 5. Phillip Bonina. Mr. Bonina is an employee of ConocoPhillips and may be  
16 contacted through ConocoPhillips' counsel of record. He may have information regarding the  
17 franchise agreement that is at issue in this matter, the expiration of ConocoPhillips' underlying  
18 property lease of the service station property at issue, ConocoPhillips' efforts to obtain an  
19 extension and/or renewal of said underlying property lease, ConocoPhillips' bona fide offer to  
20 sell its equipment and improvements at the subject station to Plaintiff, and issues related to  
21 ConocoPhillips' counterclaims.

22 6. Richard Mathews. Mr. Mathews may be contacted through ConocoPhillips'  
23 counsel of record. He may have information regarding the franchise agreement that is at issue in  
24 this matter, the expiration of ConocoPhillips' underlying property lease of the service station  
25 property at issue, ConocoPhillips' efforts to obtain an extension and/or renewal of said  
26 underlying property lease, ConocoPhillips' bona fide offer to sell its equipment and  
27 improvements at the subject station to Plaintiff, and issues related to ConocoPhillips'  
28 counterclaims.



1           7.       John Vidovich, De Anza Properties, 920 West Fremont Avenue, Sunnyvale,  
2 California. Mr. Vidovich may have information regarding ConocoPhillips' underlying property  
3 lease of the service station property at issue, ConocoPhillips' efforts to obtain an extension  
4 and/or renewal of said underlying property lease and Plaintiff's current lease agreement.

5           8.       Carla Wilkey, De Anza Properties, 920 West Fremont Avenue, Sunnyvale,  
6 California. Ms. Wilkey may have information regarding ConocoPhillips' underlying property  
7 lease of the service station property at issue, ConocoPhillips' efforts to obtain an extension  
8 and/or renewal of said underlying property lease and Plaintiff's current lease agreement.

9       **II.     DOCUMENTS**

10           Pursuant to Rule 26(a)(1)(ii) and the agreement of the parties, ConocoPhillips produces  
11 herewith all documents it may use to support its claims and defenses, with the exception of  
12 documents which either party has already produced, exchanged or submitted as part of a  
13 pleading, motion or other paper filed in this action.

14       **III.    DAMAGES**

15           ConocoPhillips will seek compensatory damages reflecting Plaintiff's failure to pay rent  
16 for equipment and improvements owned by ConocoPhillips which Plaintiff has wrongfully  
17 retained. The appropriate market rent for this property is \$4,000 per month. In addition,  
18 ConocoPhillips seeks punitive damages, disgorgement of amounts by which Plaintiff has been  
19 unjustly enriched and attorneys' fees.

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21           Dated: January 28, 2008

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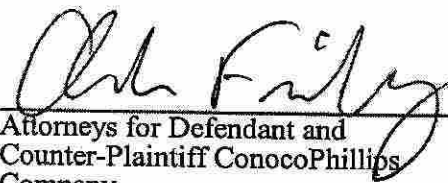
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GLYNN & FINLEY, LLP  
CLEMENT L. GLYNN  
ADAM FRIEDENBERG  
One Walnut Creek Center  
100 Pringle Avenue, Suite 500  
Walnut Creek, CA 94596

By

  
Attorneys for Defendant and  
Counter-Plaintiff ConocoPhillips  
Company

## **EXHIBIT “E”**

1 GLYNN & FINLEY, LLP  
 CLEMENT L. GLYNN, Bar No. 57117  
 2 ADAM FRIEDENBERG, Bar No. 205778  
 One Walnut Creek Center  
 3 100 Pringle Avenue, Suite 500  
 Walnut Creek, CA 94596  
 4 Telephone: (925) 210-2800  
 Facsimile: (925) 945-1975  
 5 Email: [cglynn@glynnfinley.com](mailto:cglynn@glynnfinley.com)  
[afriedenberg@glynnfinley.com](mailto:afriedenberg@glynnfinley.com)  
 6  
 Attorneys for Defendant and Counter-Plaintiff  
 7 ConocoPhillips Company

8  
 9 UNITED STATES DISTRICT COURT  
 10 NORTHERN DISTRICT OF CALIFORNIA

11 HOUTAN PETROLEUM, INC.	)	Case No. 3:07-cv-5627
12 Plaintiff,		<b><u>DEFENDANT AND COUNTER- PLAINTIFF CONOCOPHILLIPS EXPERT WITNESS DISCLOSURE</u></b>
13 vs.		
14 CONOCOPHILLIPS COMPANY, a Texas corporation and DOES 1 through 10, 15 Inclusive		
16 Defendants.	)	

17  
 18 Pursuant to Federal Rule of Civil Procedure 26 and the parties' agreement, Defendant and  
 19 Counter-Plaintiff ConocoPhillips Company ("ConocoPhillips") hereby discloses Peter Morrison  
 20 as an expert witness it expects to use at trial to present evidence. Mr. Morrison's qualifications  
 21 are reflected in the Curriculum Vitae attached hereto as Exhibit A. Mr. Morrison's compensation  
 22 for this matter is \$375 per hour. Pursuant to the parties' agreement, an appraisal report reflecting  
 23 opinions Mr. Morrison may offer at trial is attached hereto as Exhibit B. Mr. Morrison may also  
 24 offer opinions in response or rebuttal to experts and expert opinions on which Plaintiff relies.

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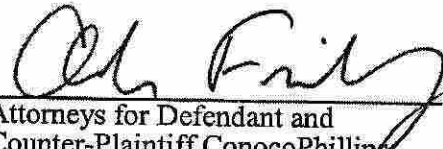
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1 This disclosure is made based on information currently known to ConocoPhillips.  
2 Discovery and investigation are ongoing, and ConocoPhillips reserves the right to offer at trial  
3 such further and additional opinions and/or expert witnesses as may become necessary.  
4

5 Dated: January 28, 2008

6 GLYNN & FINLEY, LLP  
7 CLEMENT L. GLYNN  
8 ADAM FRIEDENBERG  
9 One Walnut Creek Center  
10 100 Pringle Avenue, Suite 500  
11 Walnut Creek, CA 94596

12 By   
13 Attorneys for Defendant and  
14 Counter-Plaintiff ConocoPhillips  
15 Company  
16  
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**EXHIBIT A**

**PROFESSIONAL  
QUALIFICATIONS**

*pmorrison@valuationresearch.com*

*Peter L. Morrison*  
414/221-6236

**PROFESSIONAL POSITION**

Senior vice president and professional services manager – real property with Valuation Research Corporation.

**CERTIFICATIONS AND PROFESSIONAL AFFILIATIONS**

Wisconsin Certified General Appraiser and Licensed Appraiser No. 700-010  
Associate Member of the Appraisal Institute



**EDUCATION**

B.A., geography, with special emphasis on urban economics and planning, Macalester College, St. Paul, Minnesota, 1978

Coursework in the growth and development of Scandinavian cities and urban planning in Scandinavia, Universitetet i Oslo, Oslo, Norway, 1976

A candidate for membership (MAI) in the Appraisal Institute, Mr. Morrison has completed the following institute courses:

- |      |  |
|------|--|
| 1A-1 | Real Estate Principles   |
| 1A-2 | Basic Valuation Procedures                                     |
| 8-2  | Residential Valuation  |
| 310  | Basic Income Valuation   |
| 410  | Standards of Professional Practice, Part A                     |
| 420  | Standards of Professional Practice, Part B                     |
| 510  | Advanced Income Valuation                                      |
| 520  | Highest and Best Use and Market Analysis                       |
| 530  | Advanced Sales Comparison and Cost Approaches                  |
| 540  | Report Writing and Valuation Analysis                          |
| 550  | Advanced Applications  |
| --   | Non-Residential Demonstration Appraisal Report Writing Seminar |
| --   | Appraising from Blueprints and Specifications                  |
| --   | Subdivision Analysis   |
| --   | Analyzing Operating Expenses                                   |
| --   | Valuation of Detrimental Conditions in Real Estate             |
| --   | Introduction to International Valuation Standards              |
| --   | Appraising Convenience Stores                                  |
| --   | Feasibility, Market Value, Investment Timing: Option Value     |
| --   | Attacking and Defending an Appraisal in Litigation             |
| --   | National USPAP Update  |

**PROFESSIONAL EXPERIENCE**

1994 - Present      Member of the professional staff of Valuation Research Corporation.

**PROFESSIONAL  
QUALIFICATIONS***pmorrison@valuationresearch.com**Peter L. Morrison  
414/221-6236***PROFESSIONAL EXPERIENCE** (Continued)

- 1988 - 1994 Director of reports and documentation for Universal Medical Buildings, Milwaukee, Wisconsin. Responsible for financial modeling and analysis of healthcare facilities and medical office projects. Produced all project-related legal documentation, including Certificate of Need applications, construction agreements, ownership and rental documents, and private placement memoranda for financing of limited partnerships.
- 1986 - 1988 Commercial and industrial appraiser, Michael J. Barnard & Associates, Green Bay, Wisconsin. Researched and analyzed physical, functional, and economic factors to establish value of vacant sites and subdivisions, multi-family projects, retail facilities, offices, restaurants, and industrial plants.
- 1983 - 1985 Assistant vice president and appraisal services manager, Great Northern Development Corporation, Green Bay. Appraised residential and commercial properties for loan underwriting and fee clients. Also responsible for staff management and development and for corporate profitability.
- 1981 - 1983 Project manager, James R. Laird Real Estate Appraisal Consultants, Inc., Appleton, Wisconsin. Appraised real and personal properties for municipal clients throughout Wisconsin and Upper Michigan.
- 1979 - 1981 Real estate broker, Wisconsin. Handled all aspects of residential and commercial business.
- 1978 - 1979 Community planner, Midtown East Citizens Association, Green Bay. Responsible for production of comprehensive plan for area development.

**VRC****MAJOR CLIENTS SERVED**

Allied Film & Video, Inc.	Cargill
American Materials Corporation	The Chase Manhattan Bank, N.A.
American Specialty & Craft	Chemical Bank
Beer Company	Chemical Securities, Inc.
Anchor Advanced Products	The CIT Group, Inc.
Applied Power	Citibank, Inc.
Arkansas Best Corporation	CKE Restaurants, Inc.
Associated Bank	Company Comanche County Memorial Hospital
Bankers Trust	ConocoPhillips
Bank One	CPC International
Bemis Manufacturing	Dean Foods, Inc.
Brunswick Corporation	Dickinson County Memorial
Burlington Memorial Hospital	Hospital System
Caisse Nationale de Credit Agricole	Doe Run Company

---

**PROFESSIONAL  
QUALIFICATIONS**

*pmorrison@valuationresearch.com*

*Peter L. Morrison  
414/221-6236*

**MAJOR CLIENTS SERVED** *(Continued)*

Dynamic Industries, Inc.  
Edison Brothers Stores, Inc.  
Federal Deposit Insurance  
Corporation  
Petrellgas, Inc.  
First Bank  
Freeman Spogli & Co.,  
Incorporated  
General Electric Capital  
Structured Finance  
Getty Petroleum  
GranCare  
Hanson Industries  
Harvard Industries, Inc.  
Haworth, Inc.  
H.B. Fuller  
Huntsman Corporation  
Indian Summer, Inc.  
Ingersoll Rand Company  
Johnson Controls, Inc.  
Journal Communications  
Kraft Foods  
The Pantry/Lil' Champ  
Food Stores, Inc.  
Lehman Brothers  
Marshfield Clinic, S.C.  
M&I Marshall & Ilsley Bank  
Miller Brewing Company  
Milwaukee Medical Center, S.  
Nationsbank Capital  
Markets, Inc.  
Neenah Foundry

Phillips Petroleum Company  
Playboy Enterprises, Inc.  
P.M. Beef Group, Inc.  
Schwitzer Group  
ShopKo Stores, Inc.  
Sinai Samaritan Medical Center  
Societe Generale  
Stoughton Trailers, Inc.  
Stroh Brewing Company  
Siemens Corporation  
Sun Capital Partners  
Sunoco  
Sybra  
Thiokol Corporation  
The Times Mirror Company  
Tosco Corporation  
Transamerica Business Credit  
Corporation  
Tribune Company  
UBS Capital Corporation  
United Rentals, Inc.  
Universal Foods Corporation  
Universal Forest Products  
Valero Energy Corporation  
Versa Technologies, Inc.  
Winthrop Financial Associates  
WMVS-TV Channel 10/WMTV-TV  
Channel 36

**VRC**



# **EXHIBIT B**

**Building Improvements**

Base Cost (Sec 64/Pg 1, Class S, Average)	\$95.03
Multipliers:	
Area/Perimeter	0.956
Height	1.000
Current Cost	1.030
Local	1.210
Total	1.191
Adjusted Base Cost	\$113.18
Building Area (SF)	1,624
Subtotal Replacement Cost New (RCN)	\$183,804
Less Physical Deterioration @ 60%	(110,283)
Subtotal RCN Less Physical Deterioration	73,521
Add Soft Costs (Permitting and Entitlements)	202,500
Total RCN Less Physical Deterioration - Building	\$276,021

**Site Improvements**

Description	Units	Unit Cost	Total RCN	Effective Age	Economic Life	% Physical Deterioration	RCNLD
Grading	24,700 SF	\$0.29	7,163	--	--	--	7,163
Asphalt Paving	12,000 SF	\$2.44	29,280	6	10	60%	11,712
Concrete Paving	8,000 SF	\$6.69	53,520	9	16	56%	23,549
Concrete Curbing	370 LF	\$9.00	3,330	11	20	55%	1,499
Landscaping	--	--	--	--	--	--	5,000
Miscellaneous (Fencing, etc.)	120 LF	\$25.00	3,000	0	25	0%	3,000
Trash Enclosure	80 SF	\$5.65	452	15	25	60%	181
Lighting	3 Fix	\$1,815	5,445	9	16	56%	2,396

Total Replacement Cost New Less Physical Deterioration - Site Improvements

54,499

**Gasoline Related Improvements**

Description	Units	Unit Cost	Total RCN	Effective Age	Economic Life	% Physical Deterioration	RCNLD
Canopy	1,012 SF	\$29.44	29,793	9	16	56%	13,109
Canopy	1,012 SF	\$29.44	29,793	9	16	56%	13,109
Signage	1 Fix	\$7,879	7,879			50%	3,940
Machinery and Equipment:							
UST 12,032 Gal	1	\$41,689	41,689			46%	22,512
UST 12,032 Gal	1	\$39,120	39,120			46%	21,125
UST 550 Gal	1	\$11,151	11,151			46%	6,022
Dispensers	6	\$18,255	109,530			42%	63,527
Control Console	1	\$14,002	14,002			42%	8,121
Piping	--	\$4,278	25,668			32%	17,454
Spill Containment	--	\$24,530	24,530			44%	13,737
Additional Installation	--	\$51,341	51,341			57%	22,077
Lift	3	\$6,441	19,323			71%	5,604
Air Compressor	1	\$4,273	4,273			61%	1,666

Total Replacement Cost New Less Physical Deterioration - Gasoline Related Improvements

212,002

Subtotal Replacement Cost New of Improvements Less Physical Deterioration  
Less Functional Obsolescence  
Less External Obsolescence

\$542,522

0

0

Total Replacement Cost New of Improvements Less Physical Deterioration  
Add Land Value

\$542,522

1,729,000

Total Estimated Value by the Cost Approach

\$2,271,522

Rounded

**\$2,270,000**

**EXHIBIT “F”**

## Gennady

---

**From:** Adam Friedenber [afriedenberg@glynnfinley.com]  
**Sent:** Monday, January 28, 2008 9:11 PM  
**To:** glebedev@bleaufox.com  
**Subject:** RE: Conoco/Houtan

Gennady, I've left the office, but will take a look at this tomorrow. I had understood that the summary report would suffice for disclosure purposes, but we will of course produce copies of everything we plan to use at trial.

-----Original Message-----

**From:** Gennady [mailto:glebedev@bleaufox.com]  
**Sent:** Mon 1/28/2008 7:06 PM  
**To:** Adam Friedenber  
**Subject:** RE: Conoco/Houtan

Adam:

Exhibit B to your expert disclosure is just a one page summary of the appraised numbers. I believe we are entitled to a copy of the entire appraisal report. Is this all you intend to offer into evidence as far as the appraisal?

Gennady L. Lebedev  
BLEAU FOX, A P.L.C.  
3575 Cahuenga Bl. West, Suite 580  
Los Angeles, CA 90068  
Tel.: (323) 874-8613  
Fax: (323) 874-1234  
GLEbedev@BleauFox.com

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---

**From:** Adam Friedenber [mailto:afriedenberg@glynnfinley.com]  
**Sent:** Monday, January 28, 2008 5:29 PM  
**To:** glebedev@bleaufox.com  
**Subject:** Conoco/Houtan

Gennady, here are our initial disclosures, document production and expert disclosure.

Adam

**EXHIBIT “G”**



**Gennady**

---

**From:** Adam Friedenber [afriedenberg@glynnfinley.com]  
**Sent:** Wednesday, January 30, 2008 4:54 PM  
**To:** glebedev@bleaufox.com  
**Subject:** RE: Houtan Petroleum v. ConocoPhillips

Gennady, I will obtain and produce a copy of the complete appraisal report soon as possible. I am hopeful that will be tomorrow.

Regarding ConocoPhillips witnesses, I will provide shortly either addresses or confirmation that we will accept service of trial subpoenas. As you know, I have been in deposition all day and thus have not had an opportunity to address these issues sooner.

Regarding Rule 26 and expert disclosures, we are adding two witnesses:  
1) Sandy Matthews, who is a ConocoPhillips employee, as a fact witness, and 2) Robert W. Wintz of Valuation Research Corporation, who will testify as an expert witness.

Also, to clarify, Peter Morrison has not testified in any other cases during the previous four years and has not authored any publications in the last ten years.

Adam

-----Original Message-----

**From:** Gennady [mailto:glebedev@bleaufox.com]  
**Sent:** Wednesday, January 30, 2008 2:10 PM  
**To:** Adam Friedenber  
**Subject:** Houtan Petroleum v. ConocoPhillips

Adam:

We still have not received a copy of your expert's appraisal report.

Since

you have failed to provide the appraisal pursuant to our agreement, Mr. Plaine cannot be expected to give his full opinions regarding the appraisal at his deposition tomorrow. Nevertheless, please be advised that we do intend to have Andrew Plaine comment on ConocoPhillips' appraisal at trial.

Additionally, in your initial Rule 26 disclosures, ConocoPhillips listed names of several employees with relevant information regarding the case.

Instead of providing their addresses and telephone numbers as required by Rule 26, ConocoPhillips indicated that these individuals may be contacted through your firm as its counsel. Please advise if you will be accepting service of subpoenas of these individuals for trial. If not, I request that you provide their addresses and telephone numbers immediately.

Gennady L. Lebedev  
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GLEbedev@BleauFox.com

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